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SUBJECT: THAILAND: CALL ON BANGKOK GOVERNOR SUKHUMBHAND
TOUCHES ON PAST CORRUPTION, POLITICS, CULTURAL COOPERATION

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[11](#). (SBU) Summary: Ambassador paid a courtesy call on Bangkok Governor M.R. Sukhumbhand Paribatra March 12 and discussed the challenges Sukhumbhand faced resolving lingering corruption cases from past administrations, national politics, and cultural cooperation. Sukhumbhand noted that the Austrian company involved in the procurement scandal which had brought down his predecessor is now wholly owned by U.S. corporation General Dynamics. He suggested anti-government "red" protesters would have a difficult time sustaining long-term protests in Bangkok because most Thai were tired of protests and wanted to "get on with life." End Summary.

"Fire truck case is a political death trap"

[12](#). (SBU) In response to Ambassador's question about the main challenges facing the Bangkok Metropolitan Administration (BMA), Bangkok Governor Sukhumbhand said his chief headaches were old cases involving alleged corruption that "would not fade away." Principal among those was a 6 billion baht (\$165 million) deal with the Austrian firm Steyr for more than 500 fire trucks and boats signed by former Governor (and PM) Samak on his last day in office, and eventually endorsed by the previous governor Apirak. (Note: the National Counter Corruption Commission's (NCCC) indictment of a number of officials involved in the procurement deal, including Samak and Apirak, led Apirak to step down in late 2008 just after re-election, opening the way for Sukhumbhand to be elected in January.)

[13](#). (SBU) Sukhumbhand noted that the procurement deal, which he termed a "political death trap for me," now had an American angle, since General Dynamics had subsequently acquired Steyr. He had sought to extract the BMA from the deal immediately upon assuming office, but found himself caught between the NCCC and the Office of Attorney General (OAG). The NCCC had ruled that there were indications of wrongful doing in the Steyr contract and that BMA should end the deal via court action, but the OAG had ruled the contract to be valid and refused to let the BMA sue Steyr to end the deal. As a result, Sukhumbhand and the BMA were stuck: they were required to continue to make payments every six months from an irrevocable Line of Credit, according to the terms of the contract, while the number of unused trucks and fire boats stored on the docks continued to grow.

[14](#). (SBU) Sukhumbhand suggested the BMA might seek Steyr's

approval to use the equipment in the interim, without bias to eventual legal action against the contract. Among the irregularities cited by Sukhumbhand were barter transactions associated with the contract and assembly of some of the trucks in Thailand as opposed to abroad, as the terms of the contract stipulated. BMA was mulling over whether it would initiate legal action on its own, since the OAG had refused to represent it.

Politics from the streets to the Cabinet

15. (SBU) Sukhumbhand, a patrician academic not previously known for mixing it up on the stumps, described how he spent his weekends out and about Bangkok meeting local residents and discussing their problems. He suggested that the anti-government red shirt protesters associated with the United Front of Democracy against Dictatorship (UDD) would not be able to sustain large-scale protests because most Thai wanted to get on with life. Notwithstanding his long-time affiliation with the currently ruling Democrat Party, Sukhumbhand said he did not play politics when it came to approving permits for protests. "I play it straight, and give the reds toilets too."

16. (SBU) Sukhumbhand was philosophical about having committed to run for Governor just two weeks before the Democrats found themselves with an opportunity in December 2008 to return to national government after eight years in opposition (a former deputy Foreign Minister, Sukhumbhand was known to have coveted the Foreign Minister portfolio). The Bangkok Governorship was the largest elected constituency in Thailand, he noted, and required more multifaceted executive management than practically any single ministerial portfolio. He joked that experience had shown that it was possible to

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serve as Foreign Minister at any age; Ambassador noted that, with six Foreign Ministers in 2008, the job opened up frequently.

17. (SBU) Sukhumbhand lamented the structural imbalance between the responsibility born by the BMA Governor and the power the Governor wielded: any expenditure over 200 million baht (\$5.5 million) had to be approved by the Cabinet, with the BMA requests forwarded by the Ministry of Interior. Nineteen separate government agencies were involved in Bangkok's traffic and mass transit systems, with the BMA wielding full control only over the Sky Train.

18. (SBU) Sukhumbhand asserted that the BMA's 2 billion baht (\$55 million) budget for economic stimulus gave BMA flexibility in helping economic recovery plans. He had prioritized opening new markets to benefit small traders, providing small loans, stimulating tourism, and providing 10,000 units of housing for low-salaried BMA workers. BMA had also used its good credit rating and affiliation to several banks to arrange for the banks to buy back credit card debt from BMA employees and repackage it at much lower interest rates, putting more money in the pockets of people certain to spend, rather than in banks hesitant to lend currently.

Cultural Cooperation

19. (SBU) Ambassador noted that the Embassy's cultural affairs section often partnered with the BMA on programming and complimented Sukhumbhand on the recently-opened Bangkok Art and Cultural Center. Sukhumbhand expressed the desire to expand such cultural cooperation but said that the Cultural Center faced its own legal difficulties in administration. He wanted to involve civil society in the Center's operations, and his predecessor had tried to form a foundation to give civil society seats on a board running the Center. Lawyers had advised Sukhumbhand, however, that property laws made this formula legally problematic, so for now the BMA would run the Center directly.

